

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

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Title: System for Marketing Goods and  
Services Utilizing Computerized  
Central and Remote Facilities

Inventor: Stephen C. Wren  
Serial No.: 08/650,834  
Filed: May 20, 1996

Art Unit 2761  
Mr. Alexander Kalinowski  
Examiner

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## APPEAL BRIEF

### Party of Interest

The real party in interest herein is Mr. Wren who is the sole inventor, and has granted no assignments or licenses, although negotiations are underway.

### Related Appeals and Interferences

There are no other appeals or interferences of which Mr. Wren is a party, and hence none to be identified herein.

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### **Status of Claims and Status of Amendments**

This application was acted on by five different Examiners, each taking his own approach with no full faith and credit given to previous actions. There were withdrawals of three allowances, and withdrawals of three final rejections. After a hiatus from August 7, 1998 until May 19, 1999, a new search was conducted in order to further the prosecution. Claims 10 thru 19 were then rejected. To better distinguish over the art, as is the customary practice, in the amendment responding to this rejection, claim 10 was rewritten as claim 20, which did not differ dramatically from claim 10, and the dependent claims 11 thru 19 became 21 thru 29. Nevertheless, an additional search was made, the fifth search in the application, and claims 20 thru 22 and 24 thru 29 were finally rejected under 35 U.S.C. 103(a) on newly cited references, the references being King, Jr., et al in view of Filepp, et al. This appeal was taken from that final rejection. No amendment was filed subsequent to the final rejection. The claims on appeal in this application, then, are claims 20 thru 29 that have been reproduced in the appendix.

### **Summary of the Invention**

A network system 10 is provided for the marketing and selling of goods and services. This system 10 includes at least one central facility 12, seen in Fig. 1, which houses an array of electronic communications devices and computing equipment such as a modem 30, a

digital computer 32, a phone 34, a monitor 36, and a keyboard or input device 38.<sup>1</sup> Communicating with the central facility is a remotely located customer facility 14.<sup>2</sup> Customer facility 14 is furnished with a complementary array of electronic communications devices and computing equipment which includes means for audio transmission, a monitor 22 and a keyboard or other input device 26.<sup>3</sup> In use, the customer contacts a central facility using a speakerphone or input device.<sup>4</sup> Means are provided which allow a customer at a computerized remote facility to establish contact directly with the central computerized facility in order to search in a self-service mode in the database at the central computerized facility for information of interest. He can browse through databases of goods and services maintained by the central facility<sup>5</sup>. The customer's digital computer 18 stores operations, communications and graphics software programs in its memory and is adapted to translate the signals of the central facility 12. The customer can receive computer generated images, video, music, voice, data and audio, and then review any desired information about the goods and services thus received. On his own the customer can also back up, fast forward, skip, or jump to specific desired product information. Information is provided at various levels of detail.<sup>6</sup> The customer can download any portion of the transmitted information of interest.<sup>7</sup> He can then review

summaries of specific information, and receive any level of information in greater detail. The customer can also use the remote electronic communications devices and computing equipment to facilitate a transaction with the central facility.<sup>8</sup> In addition means are provided for periodically updating the central communications facility software to meet changing needs, and for downloading application software to the remote facility to ensure control and protocol compatibility with the updating.<sup>9</sup>

### **Issues**

*Is applicant's invention obvious given King Jr., et al and Filepp, et al under the Patent Act?*

Applicant's invention is directed to a system where a customer can obtain product information to perform a transaction on the site. To do so the customer can call for articles, photos, prepared audio and video presentations, comparisons, and the like, that will educate him about the goods and services he is considering. The primary reference,

<sup>1</sup> Page 20, lines 14 thru 19

<sup>2</sup> Page 21, lines 4 thru 11

<sup>3</sup> Page 14, lines 14 thru 21

<sup>4</sup> Page 20, lines 2 thru 5

<sup>5</sup> Page 23, lines 20 thru 24 Also page 9

<sup>6</sup> Page 28, lines 11 thru 18

<sup>7</sup> Page 9, lines 11 thru 18

<sup>8</sup> Page 6, last line Also Page 17, lines 20 & 21

<sup>9</sup> Page 15, lines 19 thru page 16, line 2

the King Jr., et al patent, provides an electronic requisition system that includes public and private catalogs. The customer then merely searches through the catalogs for items to be purchased, loads ordering information, and sends an electronic purchase order. To be considered are whether the reference and the application are directed to the same problem, and whether the reference has been dissected for the purpose of the rejection.

*Is the combination of references on which the rejection is based a proper combination?*

An effort has been made to establish obviousness by showing that each element of the main claim may be found somewhere in the references, that is, in either King Jr., et al or in Filepp, et al. An issue herein is not whether each element exists in the combined references, but whether the combination is proper in the first place.

*Is the doctrine of judicial notice proper in this case?*

The Examiner admits that both King Jr., et al and Filepp, et al fail to explicitly teach all of the limitations in the claims. He takes official notice of those missing limitations. There are dangers in the use of judicial notice, the uncertainty of the source or the date of the knowledge relied on, and the temptation, when reading references, to interpret them in the light of what one presently knows.

### **Grouping of Claims**

Referring now to the dependent claims, pursuant to the office's *In re Sernaker* practice (217 USPQ 1) applicant will let claims 21, 22, and 23 ( rejected on a previously much discussed Lockwood reference) stand or fall with claim 20. Claims 24, 25, 26, 27, 28, and 29, however, are deemed to warrant special consideration as being separately patentable. With respect to all of these claims except claim 25 it is admitted that King, Jr., et al does not explicitly disclose the system including the means claimed. A quite vague limitation is then alleged to be present in the Filepp, et al reference. It is applicant's contention that in view of the unrelated problem set forth in the voluminous Filepp, et al, reference it would not occur to one skilled in the art to extract the desired limitations. The dependent claims are, then, believed to be allowable.

### **Argument**

There was no rejection under 35 U.S.C. 112, nor under 35 U.S.C. 102, the basis for the rejection being 35 U.S.C. 103(a). Prior to considering the specifics of the 35 U.S.C. 103(a) rejection, it is deemed helpful to examine both applicant's invention, and the King, Jr., et al and Filepp, et al references.

#### ***Applicant's invention***

Claim 20 is directed to a network system for marketing and selling goods and

services which utilizes computerized remote customer communications facilities electronically connected to computerized central communications facilities with the central communications facility having information relating to goods and services stored in a database. In a self-service mode the customer can browse in the database for information relative to the goods or services. In the database he can call for prepared presentations relating to the goods and services. He can also bypass introductory presentations and move on to a higher information level. Using this system the customer can listen to, as well as view, audio and visual sales or product information such as product specifications, service data, published articles, product demonstrations, orchestrated presentations, sales literature, possible uses, compatibility, styles, selection, availability, comparisons to other products or services, published articles on products or services, product features, and compatibility or other requirements. The system herein also includes digitized voice and programs or commercials presented and displayed simultaneously with text or narration. The images can include artwork such as photographs of paintings, drawings, or sculpture as a means of making the atmosphere more interesting and attractive. This is to be contrasted with the prior art.

*King, Jr., et al*

The primary reference, King Jr., et al is directed to a previously but no longer marketed project described as an electronic requisition system which includes public and

private catalogs. The Public Catalog permits multiple customers to access and identify products from a variety of Suppliers. Private Catalogs permit individual customers to control or limit the products or services, and allow separate pricing structures for different customers based upon negotiated agreements with suppliers.

The Public and Private Catalogs emanate from a Master Catalog. This catalog contains the master information for all of the Suppliers' products and services, and it is loaded and maintained by the Suppliers. From the Supplier Master Catalog, each Supplier creates a Public Catalog for access by Customers. Customers can also store catalog items in Private Catalogs. The Private Catalog functions allow Customers to load, access and identify supplier products on their own local computer systems rather than the Public Catalog. Private Catalogs contain many of the same features as the Public Catalogs, except for the price discount function.

It can be appreciated that in contrast to applicant's invention King, Jr., et al merely provides a system in which Customers merely browse through catalogs. Customers are the subscribers to these catalogs. No system is suggested which includes expected profit or margins, past performance of similar products, maturity dates, terms, conditions, exclusions, limitations, and exceptions, models, styles, expected life, efficiencies, colors, capacities, maintenance requirements, options, comparisons between models, published articles on products, or pictures, testimonials, and commercials, or infomercials which



include photographs of paintings, drawings, or sculpture. It is not understood, then, how applicant's claimed invention can be obvious under 35 U.S.C. 103 in view of King, Jr., et al.

*Filepp, et al*

Considering now the combination of King, Jr., et al with Filepp, et al, it is true that Filepp, et al relates to information and shopping services. However the patent is directed to an interactive computer network intended to provide very large numbers of simultaneous users; e.g. millions, with access to a large number; e.g., thousands, of applications. The size and complexity of the network host is the problem solved. The problem is extremely critical because the network must be able to provide the shopping services with a minimal amount of network resources in order to be economical for so many users. The network resources must be kept low in order to make the network affordable both to the users and those who would rely on the network as a channel of distribution for their goods and/or services. The ability to satisfy requests with minimal network resources is required to enable the network to serve economically such large numbers of users because the storage of the principal data and software resources needed for processing at the host creates a burden on network complexity and response time which renders the conventional approach unsuited for such large numbers of users.

*The final action*

As specified previously, claims 20 thru 22 and 24 thru 29 were rejected under 35 U.S.C. 103(a). In finally rejecting claim 20, that claim has been broken down limitation-by-limitation. To anticipate the preamble in claim 20 all three catalogs of King, Jr., et al were utilized; for the searching in a self-service mode limitation in claim 20 the public catalog was used; the catalog query/display was applied to anticipate the transmission of images, video, music, voice, and data; the electronic catalog-ordering system was brought into play for the viewing of transmissions; searching through the catalogs was utilized as a reason for rejecting the downloading information limitation; electronic ordering from a catalog was deemed to anticipate initiating transactions; and updating the entire database facility was rejected on updating the catalogs.

There are two reasons, it is contended, that this rejection is unsound. First, there is no reason, apart from applicant's disclosure, for applying to applicant's claims a disclosure providing catalogs. Nor is there a sound reason for applying to applicant's claims the downloading public catalogs to create private catalogs, or for downloading a desired item to be ordered in a requisition system. The reference and applicant's invention are not directed to the same problem. Applicant's invention solves a different problem than the reference, and that problem is set forth in the claims (*In re Wright*, 61 USPQ2d 1959 (1988)). Second, the limitation-by-limitation basis employed herein is an erroneous

approach to obviousness. As an example the purpose of the Catalog Query/Display function is for readily guiding the requestors through the catalog. It bears no relationship to the transmission of information of interest such as product specifications, service data, in the form of orchestrated presentations utilizing voice, music and video. Again, the provision of a Public Catalog by King, Jr., et al does not, and cannot, suggest *browsing in a database with no item in mind*, in a manner similar to browsing in a bookstore. In addition, the downloading of resulting information by applicant, and the initiation of a transaction are not obvious under the Patent Act from electronically ordering from catalogs. It has frequently been held that in determining obviousness "the inquiry is not whether each element existed in the prior art, but whether the prior art made obvious the invention as a whole for which patentability is claimed." *Hartness Int'l. Inc. v. Simplimatic Eng'g Co.*, 2 USPQ2d 1826, and *Grain Processing v. American Maize*, 5 USPQ2d 1788. Considering the whole, the object of the King, Jr., et al patent is to allow a purchaser's requisition system to be integrated with a catalog system, and a supplier computer system. It does not suggest the information-providing system provided by applicant.

Continuing now beyond this point in the final rejection, with an admission that King, Jr., et al do not disclose means enabling a customer, while viewing, to back up, skip, and jump to information of interest, the Filepp, et al reference has been combined with King, Jr., et al. There is a danger in this approach, the danger being that it can lead to an

improper combination of references. A discussion of the King, Jr., et al and Filepp, et al inventions has been included hereinbefore. On the basis of those two inventions it is not seen that the Filepp, et al invention bears any relationship to either the King, Jr., et al invention, or applicant's claimed invention. On one hand the King, Jr., et al reference relates to a catalog ordering system with no hint or suggestion of providing means for presenting the type of information applicant discloses. On the other hand the focus of the Filepp, et al invention is the use of program blocks in the construction of a functioning system for a network intended to provide millions of users with access to thousands of applications. How, then, can King, Jr., et al be combined with Filepp, et al? Such a combination cannot be well founded. There is no basis for it. In 1988 in *Ex parte Dussaud*, 7 USPQ2d 1818 it was held that the Examiner erred in holding that the invention was obvious in view of two prior art patents since there was no implied or expressed suggestion in the teachings of the two references which would have motivated a person of ordinary skill in the art to combine them.

Continuing again with the final rejection, with an admission that King, Jr., et al do not disclose means for downloading application software from the computerized central communications facility to the remote communications facility to ensure control and protocol compatibility resulting from updating, the doctrine of judicial notice has been brought into play.

The Manual of Patent Examining Procedure, Section 2144.03, in guiding examiners through official notice, calls attention to *In re Ahert and Kruger*, 165 USPQ 418. Citing *In re Knapp Monarch Co.*, 132 USPQ 6, *In re Ahert* holds that the rule of judicial notice is not as broad as it first might appear. The court will always construe it narrowly, considering the role the facts so noticed play in the evidentiary scheme upon which a rejection of the claims is based. Otherwise, in effect, the claims will have been rejected without anticipatory prior art, and possibly, even without realizing it, on the Internet. If this is the case, it is to be remembered that applicant's invention and the references preceded the Internet. The Internet as we know it today came into being after applicant's invention--after his first application was filed. The later Internet, thus, became only an adjunct to applicant's invention.

Soon after computers were developed experts across the country began exploring ways to connect directly remote computers in order to exchange research papers, experimentation results, and similar information. Early on the United States government, realizing that computers would have profound military functions, funded an experimental network known as the ARPANET.

Since the main goal of ARPANET was research in computer systems for military purposes, it was realized that more than one route was needed between linked computers. The provision of a variety of routes rather than one fixed route led to the original

"Internet".

However, the Internet as we know it did not come into being until about 1995 when the original Internet lifted its decade old ban on doing business on the facility. Based upon the dates of applicant's parent applications, the relevant Internet date is more than two years after applicant's date of invention. The Internet certainly cannot be relied upon under the doctrine of Official Notice, and what is relied on under the doctrine is not clear.


### **Summary of Applicant's Position**

As emphasized in his application, applicant is of the belief that a disadvantage of text is its limited ability to convey enthusiasm, emotion, and general meaning. Much is contained in human speech in terms of inflection, tone, and volume, which convey a significant part of the idea intended. Applicant, hence, conceived the idea of a system providing for transmitting to a customer narrated information in the form electronically transmitted demonstrations, and presentations consisting of features and comparisons. Transmissions of such audio, video and data in marketing, selling, financing, and insuring goods and/or services are not suggested by the prior art. A questionable combination of references does not render obvious applicant's claims under Section 103 of the Patent Act.

It is urged, therefore, that the final rejection be reversed, and that claims 20 thru 29 be allowed.

An oral hearing is not requested.

Respectfully submitted,

  
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